

December 9, 2021

Item No. 7.11.

Fujifilm Diosynth Biotechnologies Texas, LLC Economic Development Agreement

Sponsor: Natalie Ruiz, Director of Economic Development

Reviewed By CBC: City Council

Agenda Caption: Presentation, discussion, and possible action on approval of a Chapter 380 Economic Development Agreement between the City of College Station and FUJIFILM Diosynth Biotechnologies Texas, LLC regarding approximately 12.45 acres on Biomedical Way on Lot 2, Block 1 of Traditions Phase 23 filed in volume 11293 page 184 of the Official Deed Records of Brazos County, Texas.

Relationship to Strategic Goals:

- Diverse & Growing Economy

Recommendation(s): Staff recommends approval of the Economic Development Agreement as proposed.

Summary: Fujifilm Diosynth Biotechnologies Texas, LLC is an existing company in College Station with approximately 600 FTEs. This agreement provides for a 138,000 square foot expansion of the existing commercial manufacturing facility located at 3939 Biomedical Way for additional biomanufacturing capabilities for vaccines and gene therapies, with an increase of 150 FTEs at an average annual salary of \$80,000. At the completion of construction, anticipated to be no later than January 1, 2025, the company shall include a total personal property and real property investment of approximately \$300 million.

In exchange, the company will receive an annual cash incentive for a term of ten years equal to the ad valorem taxes assessed and paid not to exceed a maximum of \$4,881,903. The cash incentive value is estimated as follows:

- Year 1: 90%-90% of Shared Revenue
- Year 2: 80%-80% of Shared Revenue
- Year 3: 70%-70% of Shared Revenue
- Year 4: 70%-70% of Shared Revenue
- Year 5: 50%-50% of Shared Revenue
- Year 6: 50%-50% of Shared Revenue
- Year 7: 30%-30% of Shared Revenue
- Year 8: 30%-30% of Shared Revenue
- Year 9: 20%-20% of Shared Revenue
- Year 10: 10%-10% of Shared Revenue

Budget & Financial Summary: The subject property is located within the Biocorridor area and more specifically within the City of College Station as described in the Interlocal Cooperation and Joint Development Agreement that the City entered into with the City of Bryan in 2011. In the Agreement, the two cities agree to share 50-50 the Operating and Maintenance portion of ad valorem taxes assessed and collected, and the Agreement requires all Economic Development Agreements

impacting the Biocorridor area to be approved by both cities. Bryan's City Council will consider a resolution regarding this Agreement at their regular meeting in January 2022.

Attachments:

1. Agreement on file with the City Secretary's Office

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